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May 14, 2004

Via Electronic Submission

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **Ex Parte Presentation**
CC Docket No. 96-128
Pay Telephone Reclassification and Compensation Provisions of the
Telecommunications Act of 1996

Dear Ms. Dortch:

SBC Communications, Inc. (on behalf of the telephone companies, SBC California, SBC Nevada, SBC Connecticut, SBC Texas, SBC Kansas, SBC Oklahoma, SBC Missouri, SBC Arkansas, SBC Illinois, SBC Michigan, SBC Ohio, SBC Wisconsin and SBC Indiana, collectively referred to as "SBC") respectfully submits this written *ex parte* for inclusion in the above-referenced proceeding to respond to statements made in American Public Communications Council's ("APCC")¹ April 16, 2004, written *ex parte*.

In its letter, APCC requests the Commission to clarify that, in order to ensure that they are fulfilling their compensation obligations in these types of solutions, LECs must be prepared to utilize compensation payment methods other than bill credits, since they will not be able to use local service bill credits to compensate PSPs who are not their local exchange customers.²

SBC currently pays per call compensation on all toll-free calls transported by SBC which originate in SBC's region, including calls that terminate outside our region. When the payphone is located within our local service territory and receives a bill directly from SBC, the per call compensation is paid as a credit on the PSP's bill. If the payphone is located behind a CLEC, payment arrangements vary from a credit on the CLEC's account to a check paid to the PSP on a quarterly basis, based on individual arrangements/mutual agreements. If the payphone is not located within our local service territory, SBC does not pay for any calls. Calls originating outside SBC territory, but which terminate to SBC and are intraLATA (not transported by an IXC), are paid by the originating LEC/ILEC. SBC does not have the technical capability to

¹Ex Parte letter from Albert H. Kramer and Robert F. Aldrich to Marlene H. Dortch, CC Docket No. 96-128 (April 16, 2004) ("APCC Letter").

² APCC letter, p. 3.

identify which of these types of calls originate from a payphone nor would SBC have knowledge of who the owner is. FLEX ANI is not applicable on local calls of this nature. SBC is pursuing contractual agreements with the ILECs/LECs to continue this arrangement after July 1, 2004.

SBC does not have access code calls (1010XXX) nor do we transport interexchange interLATA calls. If an SBC customer requests an 8XX number from SBC, SBC will choose, at the customer's direction, an IXC to transport the non local or interLATA portion. SBC's long distance affiliate, SBC Long Distance, or another IXC, will transport these calls and will be responsible for paying any compensation associated with calls they complete. SBC will, of course, be responsible for any 8XX intraLATA calls it completes. For example, SBC would pay on 8XX calls to a local business from the surrounding area, but if the call was made to the business from outside the state, that call would be transported and completed by an IXC. Since an 8XX number can be transported and subsequently paid for by both the LEC and the IXC, the PSP may see that number on more than one report if they have payphones in both locations.

In APCC's illustrations of completed calling card calls³, the illustrations depict a LEC platform. To clarify, SBC does not have its own calling card platforms; the platform would instead belong to SBC Long Distance or another IXC. Therefore, management of the platform would belong to SBC Long Distance or the IXC, not SBC.

If you have any questions, please contact the undersigned.

Sincerely,

/s/ **Toni R. Acton**

cc: Bill Dever
Darryl Cooper
Denise Coca

³ APCC letter, Figures 1-3.